

**Natural Resources, Tourism and Outdoor Recreation House Standing Committee  
A Presentation on the Michigan Natural Resource Trust Fund  
February 15, 2011  
Page 2**

**Property Taxes paid by MNRTF:** The acquisition of lands by the DNRE does not remove the land from local tax rolls. The DNRE pays “payment in lieu of taxes” (PILT) on lands that are purchased by the State with funding from the MNRTF. In addition, while paying taxes on these lands, the DNRE does not require many of the services those tax dollars support, such as schools, fire protection, 911 services, police protection, etc. Local communities may actually benefit by receiving tax dollars and not needing to provide services in return. Since 2006, the Department of Treasury (on behalf of the DNRE) has paid \$4,529,370 in property taxes (50% of this amount is from the MNRTF/50% from General Funds) to local units of government for lands acquired through the use of the MNRTF.

**Economics:** Lands acquired through the MNRTF often boost local economies by providing opportunities for outdoor public recreation such as snowmobiling, hunting, fishing, camping, hiking, wildlife viewing, etc. These outdoor activities draw tourists from both within and outside of Michigan that need lodging, food, and other goods and services provided by the local businesses. Many of these businesses rely upon tourists and, by association, the land acquired through the MNRTF.

**Reaching the \$500 million cap:** It is anticipated the MNRTF cap of \$500 million will be reached in May of 2011. Once this occurs, funds generated from mineral development and production (mainly oil and gas) from State-owned minerals will no longer be deposited in the MNRTF. The funds will then be deposited in the State Park Endowment Fund and will be used to rebuild state park infrastructure. Currently, there is \$321 million of identified infrastructure needs for our state park system, which no longer receives general fund dollars.

The only funds available through the MNRTF for the development and acquisition of outdoor recreation lands after the cap has been reached will be interest earned on the \$500 million fund balance.

## **CURRENT STATUS:**

As required in Part 19, of NREPA, the MNRTF Board has made recommendations to fund the 2010 projects to the Governor. The Governor then submits recommendations to the legislature in an appropriations bill. Funds have not yet been appropriated for the 2010 recommended projects. A total of 117 projects were recommended for approval totaling slightly over \$102 million.

**Contact Information:** Steve DeBrabander, Grants Manager, DNRE  
517-241-3687 or [debrabander@michigan.gov](mailto:debrabander@michigan.gov)

Natural Resources, Tourism and Outdoor Recreation House  
Standing Committee  
A Presentation on the Michigan Natural Resources Trust Fund  
February 15, 2011

## **BACKGROUND:**

The Michigan Natural Resources Trust Fund (MNRTF), originally known as the Kammer Recreation Land Trust Act, has been in place since 1976. The MNRTF provides financial assistance to local governments and the Department of Natural Resources and Environment (DNRE) to purchase land or rights in land for public recreation or protection of land because of its environmental importance or its scenic beauty. It also assists in the appropriate development of land for public outdoor recreation.

The MNRTF is supported by annual revenues from the development of State-owned mineral resources, largely oil and gas. It is governed by Article 9, Section 35 of the State Constitution and Part 19 of the Natural Resources and Environmental Protection Act (NREPA), 451 PA 1994, as amended. In 1984, Proposal B was passed by voters, creating constitutional protection for the MNRTF. The program is administered by the MNRTF Board of Trustees and Grants Management of the DNRE. The MNRTF Board of Trustees meets six times a year and all meetings are open to the public.

MNRTF projects provide for natural resource protection and outdoor recreation. By law, no more than 25 percent of the MNRTF revenues available for appropriation each year can be used for development; therefore, the majority of funding is allocated for acquisition projects. Applications are accepted annually.

**Funds Awarded Since 1976:** The MNRTF has funded the following grant amounts (approximate amounts) for public outdoor recreation development and land acquisition since 1976\*:

Development grants to local units of government:	\$130,800,000
Development grants to the State of Michigan:	\$27,800,000
Acquisition grants to local units of government:	\$441,900,000
Acquisition grants to the State of Michigan:	\$273,300,000
Total grants awarded since 1976:	\$873,800,000

\* Totals do not include 2010 recommended grants.

**Land Purchased by use of MNRTF grants:** All land acquisition projects require at least one, and often two, professional appraisals to determine the value of the property. The DNRE completes a review of these appraisals to assure a fair offer is being made.